

## CLAIMS

What is claimed is:

1 1.

2 A first ever method of creating a virtual health care network that spans multiple  
3 states and seeks to maximize health care savings while minimizing the inconvenience to  
4 participants in changing health care providers, the method comprising:  
5 providing one or more health care networks in each of the states for analysis;  
6 for each of the health care networks, collecting information concerning utilization of the  
7 health care providers in the network;  
8 computing a measure of network utilization for each of the networks;  
9 comparing the measures of network utilization for the health care networks in the same  
10 state;  
11 of the health care networks in a particular state, projecting future health care savings for  
12 one or more of the networks;  
13 selecting one or more of the health care networks per state having the highest projected  
14 savings; and  
15 forming a virtual health care network from the selected networks.

1 2.

2 The method of claim 1 wherein the future health care savings are projected based  
3 upon historical health care costs for participants, health care network discounts and a

4 portion of the historical health care costs projected to fall to a health care provider in the  
5 network.

1 3.

2 The method of claim 1 wherein the health care network is a managed care  
3 network.

1 4.

2 The method of claim 3 wherein the managed care network is a preferred provider  
3 organization (PPO).

1 5.

2 The method of claim 1 wherein the measure of the network utilization includes  
3 the number of participants who utilize a health care provider in the network.

1 6.

2 The method of claim 1 wherein the measure of network utilization includes the  
3 percentage of participants who utilize health care providers in the network.

1 7.

2 The method of claim 1 wherein the measure of network utilization includes a total  
3 health care costs in the network.

1 8.

2 The method of claim 1 wherein the measure of network utilization includes a  
3 percentage of health care costs in the network.

1 9.

2 A new method of designing a virtual PPO network from a plurality of networks  
3 that seeks to maximize savings under the plan while minimizing the inconvenience to  
4 health care plan participants in changing health care providers, the method comprising:  
5 for each of the group health care networks, collecting information concerning the number  
6 of potential plan participants who utilize a health care provider under the  
7 networks;  
8 determining utilization for each of the networks based upon the number of potential plan  
9 participants who utilize a health care provider under the networks;  
10 comparing the utilizations for the networks;  
11 for each of the networks having the highest utilization, calculating future savings for the  
12 network based upon historical health care costs for plan participants, network  
13 discounts, and a portion of the historical health care costs projected to fall to a  
14 health care provider in the network; and  
15 selecting one or more of the networks having the greatest future savings.

1 10.

2 The method of claim 9 wherein the network is a preferred provider organization  
3 (PPO).

1 11.

2 The method of claim 10 wherein the PPO is selected for a particular state.

1 12.

2 A new method of projecting future health care savings from selecting a particular  
3 health care network that gives health care plan participants access to a network of health  
4 care providers, the new method comprising:

5 determining total health care costs for participants for a selected time period;

6 determining a portion of the total health care costs that would be in the network;

7 applying one or more network discounts to the portion of total health care costs in the

8 network;

9 calculating an average network discount per participant; and

10 projecting future health care savings based upon the average network discount per

11 participant and a number of participants in the network.

1 13.

2 The method of claim 12 wherein the total health care costs include hospital  
3 charges and physician and other charges, and the step of applying one or more network

4 discounts includes applying first a network discount to the hospital charges and applying  
5 a second discount to the physician and other charges.

1 14.

2 The method of claim 12 wherein the health care network is a managed care  
3 network.

1 15.

2 The method of claim 14 wherein the managed care network is a preferred  
3 provider organization (PPO).

1 16.

2 The method of claim 12 wherein the step of determining total health care costs for  
3 participants includes reviewing approved charges from a claims payor.

1 17.

2 The method of claim 12 wherein the step of determining total health care costs for  
3 participants includes reviewing payments from a plan sponsor to one or more medical  
4 vendors.

1 18.

2       The method of claim 17 wherein the payments from a plan sponsor to one or more  
3 medical vendors are adjusted upward to reflect actual amounts incurred for health care  
4 services.

1 19.

2       The method of claim 17 wherein the payments from a plan sponsor to one or more  
3 medical vendors are from an Internal Revenue Service report.